

**MINUTES  
of the  
FOURTH MEETING  
of the  
SCIENCE, TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE**

**September 21-22, 2015  
Ruidoso Convention Center  
111 Sierra Blanca Drive  
Ruidoso**

The fourth meeting of the Science, Technology and Telecommunications Committee (STTC) was called to order by Representative James E. Smith, chair, on Monday, September 21, 2015, at 10:10 a.m. at the Ruidoso Convention Center in Ruidoso.

**Present**

Rep. James E. Smith, Chair  
Sen. Michael Padilla, Vice Chair  
Sen. William F. Burt (9/22)  
Rep. Stephanie Garcia Richard  
Rep. Jason C. Harper  
Rep. Conrad James  
Rep. Bill McCamley  
Rep. Debbie A. Rodella (9/22)  
Rep. Carl Trujillo  
Rep. John L. Zimmerman

**Absent**

Sen. Daniel A. Ivey-Soto  
Sen. Bill B. O'Neill  
Sen. John C. Ryan

**Advisory Members**

Sen. Carlos R. Cisneros  
Rep. Kelly K. Fajardo  
Sen. Ron Griggs  
Sen. Richard C. Martinez  
Rep. Monica Youngblood

Sen. Jacob R. Candelaria  
Rep. Antonio Maestas  
Sen. Steven P. Neville  
Sen. Mary Kay Papen  
Sen. William H. Payne  
Sen. Nancy Rodriguez  
Rep. Nick L. Salazar  
Rep. Luciano "Lucky" Varela  
Sen. Peter Wirth

(Attendances dates are noted for members who were not present for both meeting days.)

**Staff**

Gordon Meeks, Legislative Council Service (LCS)  
Tessa Ryan, LCS  
Alexandria Tapia, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other written testimony are in the meeting file and are located on the New Mexico Legislature web site.

**Monday, September 21**

Members of the committee introduced themselves.

**SHARE Status**

Darryl Ackley, secretary of information technology and chief information officer, Department of Information Technology (DoIT), addressed the committee regarding the current status of the SHARE system. SHARE is the enterprise resource planning system that the state uses to automate back-office business functions, including employee timesheets, benefit calculations and vendor payments, Secretary Ackley said. SHARE is based on the world-class PeopleSoft platform that is used by more than 20 states and by numerous Fortune 500 companies. Within the system there are three programs: financial management, human capital management and enterprise learning management (ELM). The first two programs are currently in operation, and the ELM is in the process of being implemented. Secretary Ackley emphasized that the SHARE system is working, and he highlighted several examples of its success over the previous 18 months. In addition, SHARE is continuously evolving by increasing its performance, improving its ability to troubleshoot and improving user-facing capabilities. Internal staff is now being used to run updates on the SHARE system.

Tom Clifford, secretary, Department of Finance and Administration (DFA), echoed the success of the SHARE system's complete overhaul of the user access model by explaining that the updates require a balancing act with each individual agency. User system accessibility is determined by each agency, and these functions are now limited to an employee's job duties, rather than over-granting wide access.

Secretary Ackley outlined the modernization of the SHARE system with the implementation of the third component, ELM. With ELM, an employee's transcript follows the employee throughout the employee's career, which helps agencies determine if the employee has the training necessary for specific system accessibility. The DoIT is a pilot agency for ELM, and the DoIT is currently using this module for training.

The DoIT is working to achieve a "new normal" for the system. SHARE requires regular, skilled maintenance, and it is essential to adapt the state's business processes to the PeopleSoft platform, rather than customizing SHARE to fit the current processes — adaption has been the case in the past and that limits the state from taking advantage of SHARE's full capabilities.

Secretary Clifford stressed the importance of distinguishing business process shortcomings from issues driven by the software.

Secretary Clifford provided an historic overview of the cash reconciliation project. The state's general fund investment pool balances had not been fully reconciled since the implementation of the SHARE system in July 2006. Reporting is now being conducted on a monthly basis. Secretary Clifford outlined the steps and phases that are being taken to address the issue, which include bringing third-party payments into the SHARE system. Secretary Clifford also noted several critical non-system factors that are affecting the success of SHARE:

- employee turnover and the ability to fill positions quickly and transfer knowledge;
- coordinated, structured and evergreen training programs;
- model accounting practices understanding and related training;
- the independence of agencies and resistance to change;
- the strength of the existing chart of accounts and other chart field items; and
- the continuing changes to system requirements due to new laws and regulations.

In conclusion, the presenters reiterated that SHARE is working and has been materially improved. The system continues to improve and is still being modernized.

In response to questions from the committee, the following topics were addressed:

- ownership of rights for the modules in the SHARE system and the PeopleSoft platform;
- system upgrades to the latest version of PeopleSoft, which include a staged upgrade;
- the need for real-time reporting of payments through third parties;
- criticisms of the initial rollout of the SHARE system and current collaboration with agencies to address issues;
- the time frame for the cash reconciliation process;
- concerns with the state's bond rating;
- the difficulty of finding qualified information technology professionals for personnel;
- requirements needed by the Office of the State Treasurer to consolidate operations under the SHARE system;
- the status of legislative appropriation for system upgrade;
- the need for employee training for system access and improvement of oversight for access;
- payroll payments from the DFA and third parties that issue payments;
- the entities in addition to state agencies that currently use the SHARE system; and
- issues with broadband related to the usage of SHARE.

## **Approval of Minutes**

Upon a motion by Representative Garcia Richard and seconded by Representative Zimmerman, the minutes from the July and August STTC meetings were unanimously approved by the committee.

## **Net Neutrality**

Mike Ripperger, Telecom Bureau chief, Public Regulation Commission (PRC), provided the committee with an overview of net neutrality. Net neutrality essentially refers to equal treatment of all internet traffic, with minimal or no interference from third parties, and is associated with maintaining an "open internet". There have been several court challenges regarding net neutrality, most recently in 2013 by the Federal Communications Commission (FCC). Mr. Ripperger recapped the background on the FCC 2010 Open Internet Order for the committee. The 2010 order adopted rules of transparency, no blocking and no unreasonable discrimination. At the time, the FCC did not apply the rules to wireless internet broadband service on the rationale that the market for wireless broadband service was still developing. In 2014, Verizon Wireless challenged the FCC 2010 Open Internet Order in the District of Columbia Circuit Court. The court struck down the no blocking and no unreasonable discrimination portions of the order but upheld the transparency rules, which the FCC stated were not contingent on network operators being classified as common carriers.

Mr. Ripperger discussed the most recent order by the FCC regarding net neutrality, which was issued in April 2015. This order set "bright line" rules for the management of internet traffic by internet service providers. These rules prohibited blocking and throttling of internet traffic, as well as paid prioritization. For the time being, the net neutrality order does not require contributions from broadband providers into the federal Universal Service Fund, pending further deliberations by the FCC. Mr. Ripperger defined several network considerations regarding the FCC's 2015 order and highlighted the key issues the order attempts to address. The presentation noted the pros and cons for net neutrality. There have already been appeals filed by industry leaders against the net neutrality order, with oral arguments scheduled for this December, he said. Party arguments state that the new rules will stifle innovation and harm consumers and the internet. The plaintiffs also believe that classification of broadband as a common carrier service is arbitrary and capricious and violates federal law.

Mr. Ripperger addressed the following inquiries from the STTC:

- an explanation of throttling;
- jurisdictional issues related to governing the internet and broadband;
- plans for statewide broadband infrastructure;
- the potential impact that increased state regulation might have on providers expanding services into rural areas; and
- approaches by other states regarding broadband infrastructure.

### **Drones — Balancing Economic Benefits with Public Safety and Privacy**

Jennifer Sensiba, New Mexico Air Rangers, met with the STTC to discuss issues related to drones. Ms. Sensiba highlighted some of the benefits associated with drone technology, including aiding in public safety and infrastructure planning. Ms. Sensiba provided the committee with suggestions regarding potential legislation and with information on her group, New Mexico Air Rangers.

The committee discussed the following points with Ms. Sensiba:

- issues related to privacy and trespass;
- the capabilities of drones, including operational heights and ranges;
- drone operator registration;
- commercial versus hobbyist use;
- approaches by other states to address the usage of drones;
- the 2015 senate memorial regarding drone usage to track wildlife;
- the issuance of warrants based on drone findings and intelligence gathering; and
- policies used by companies like Google as a template for future legislation.

Following the presentation and discussion with the committee, Ms. Sensiba provided members of the STTC with a demonstration of a drone.

### **Recess**

The meeting recessed at 4:33 p.m.

### **Tuesday, September 22**

#### **National Solar Observatory, Cloudcroft — Status**

Jon Holtzman, professor and department head, Department of Astronomy, New Mexico State University (NMSU), addressed the STTC regarding the National Solar Observatory located in Cloudcroft. The observatory, originally founded in the 1950s as a United States Air Force facility, is scheduled to be decommissioned after 2017. Several entities, such as the National Science Foundation (NSF) and NMSU, want to keep the facility running, but these entities lack the funding to do so individually. NMSU is proposing to form a consortium of universities in order to keep the site open. Under this proposal, NMSU would operate the entity, and the NSF would retain ownership of the site. According to the proposal, NMSU is seeking \$273,000 for fiscal year 2017. NMSU has cited the National Solar Observatory as a top priority, recognizing its educational and research value to the university and to the state of New Mexico. Dr. Holtzman noted that an investment by the state would help to attract significant long-term external investment; help connection with statewide national laboratories and universities; create a tourism hotspot; and have a substantial impact on economic development in Otero County.

James McAteer, assistant professor, NMSU, discussed the technological capabilities of a telescope that is housed at the observatory. Dr. McAteer shared with the committee several

images produced by the telescope, noting that the observatory's building may be dated but the technology in use is top-of-the-line. In addition, Dr. McAteer highlighted the many educational opportunities that the facility offers, including hands-on graduate student training.

Presenting with representatives from NMSU, Mark Klaene, site operations manager, Apache Point Observatory, provided information about the site adjacent to the National Solar Observatory. While the Apache Point Observatory is privately owned, the two facilities operate complementary to each other. Mr. Klaene discussed some of the economic impact the sites have had on the region, including high-salaried professionals employed by the observatories. Mr. Klaene concluded the presentation by talking about the Sunspot Astronomy Visitor Center at the National Solar Observatory, which receives approximately 20,000 visitors per year.

The panelists discussed with the STTC the following topics:

- interest from other state educational institutions and national defense installations in both observatories;
- occasional use of the facility by White Sands Missile Range and the National Aeronautics and Space Administration;
- usage of the National Solar Observatory by members of the consortium;
- the uniqueness of the technology housed at the facility;
- the number of potential employees at the facility and economic impact on the region;
- alternative uses of the facility, including conventions and summer camps;
- the importance of hands-on training for graduate students;
- real-world applications for the technology and the uses of the information gathered by the telescope; and
- the commitment by NMSU to submit the funding request as part of its budget in the 2016 session.

### **Connect America Fund Status**

Leo Baca, state legislative affairs director, CenturyLink, provided an update on the federal Connect America Fund (CAF). Mr. Baca reported that in August, CenturyLink announced that it will accept CAF-2 funding from the FCC to bring high-speed internet services to more than 25,000 households and businesses in FCC designated rural census block areas across CenturyLink's New Mexico service area. The FCC created the CAF program by transitioning money currently supporting traditional rural landline service and using this money to build out broadband in rural America. Out of this money, New Mexico will receive approximately \$70 million over the next six years to expand and support broadband in rural parts of the state. The CAF-2 funding is expected to bring many benefits to rural communities, including economic development and better access to education and health care services, including distance learning and telemedicine. Following the initial build-out plan finalization, Mr. Baca stated that construction will begin no later than early 2016.

The FCC's CAF-2 program enables broadband expansion to approximately 55 percent of the eligible homes and businesses in rural New Mexico. In order to expand on and complement what the FCC has done, CenturyLink is asking the New Mexico Legislature to consider the following: 1) establishing broadband tax incentives; and 2) implementing a state broadband program similar to the FCC's CAF-2 program for census block areas that are not eligible for CAF-2 support.

Adriana Badal, a representative from Sacred Wind Communications, explained that not all companies are initially eligible for CAF-2 funding. Because some companies opted not to take the funding, there is a reverse option for the money left over. Sacred Wind Communications has since applied for the remainder of the CAF-2 funding and is working with engineers to identify areas of service improvement.

The committee discussed several topics relating to the presentation, including:

- actions being taken by other states to address broadband infrastructure needs in rural areas;
- current proposals by state agencies, such as the DoIT;
- types of tax incentives and credits that might be beneficial;
- consumer protection and reasonable rates;
- a request for maps identifying the census block areas and the proposed build-out areas;
- explanation of the technology being used and its speed specifications; and
- potential for local matching funds for broadband projects.

### **Broadband Task Force Steering Committee Report to the PRC**

Charlie Ferrell, executive director, New Mexico Exchange Carrier Group, introduced members of the Broadband Task Force Steering Committee and the PRC to the STTC. Mr. Ferrell also recognized stakeholders and industry representatives present in the audience. Mr. Ferrell began his presentation by providing background on the Broadband Task Force Steering Committee and the task force's makeup. The PRC, in recognition of the fact that many areas of the state are either unserved or underserved in regard to broadband services, established a task force to investigate ways to address this lack of adequate broadband services in the state. The task force was charged with:

- reviewing minimum upload/download speeds;
- producing a map showing technology used in various parts of the state and showing the lack of broadband in some areas;
- identifying barriers to deployment of broadband;
- reviewing possible funding sources; and
- recommending specific actions.

On June 10, 2015, a report and action plan were filed with the PRC. Mr. Ferrell highlighted some of the key findings laid out in the report. The task force determined that the PRC does have the authority to adopt a statewide broadband program under the auspices of the Rural Telecommunications Act of New Mexico (Section 63-9H-6 NMSA 1978). The task force recommended that the PRC establish an infrastructure grant program in which carriers can apply for funding based on need, which would be part of the broadband support program. Applications for funding would be submitted by carriers certified as eligible telecommunications providers and would be analyzed with a focus on unserved, underserved and comparable-access areas.

Mr. Ferrell explained that the PRC's next step has been the issuance of a notice of proposed rulemaking, including a draft rule. The draft includes the implementation of a statewide broadband program. A hearing has been set for November 4, 2015. The PRC will utilize the existing State Rural Universal Service Fund rules as a vehicle for the creation of a broadband program. The rulemaking process will allow for all parties to participate in the process. According to Mr. Ferrell, the PRC has determined that the new rules will go into effect on January 1, 2016. The draft rule also incorporates a definition of "rural", accountability measures and a sunset clause of five years.

Following the presentation, members of the committee and industry representatives discussed the findings of the report and its recommendations. Some key points addressed were:

- funding options in the form of surcharges;
- issues affecting the unsustainability of the State Rural Universal Service Fund;
- dissenting opinions from industry representatives regarding the action plan;
- support from some service providers for a legislative appropriation;
- the importance of broadband access for economic development, health care and education; and
- the need for a comprehensive plan regarding broadband infrastructure.

### **Adjournment**

There being no further business before the committee, the fourth meeting of the STTC adjourned at 12:35 p.m.